

UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA

Vital Images, Inc.,)	Case No. 10-cv-4934 (JNE/JJK)
)	Judge: The Honorable Joan Ericksen
Plaintiff,)	
)	
vs.)	
)	
)	AMENDED COMPLAINT
)	(Jury Trial Demanded)
Somanetics Corporation and Nellcor)	
Puritan Bennett, LLC,)	
Defendants.)	
)	

COMES NOW Plaintiff Vital Images, Inc. ("Vital Images") as and for its Complaint against Somanetics Corporation ("Somanetics") and Nellcor Puritan Bennett, LLC ("Nellcor") (collectively "Defendants"), states and alleges as follows:

PARTIES

1. Vital Images is a Minnesota corporation having a principal place of business at 5850 Opus Parkway, Suite 300, Minnetonka, MN 55343.

2. Somanetics is a Michigan corporation having a principal place of business at 2600 Troy Center Drive, Troy, MI 48084.

3. Nellcor is a Delaware limited liability company having a principal place of business at 675 McDonnell Blvd., St. Louis, MS 63042.

JURISDICTION AND VENUE

4. This Court has subject matter jurisdiction over the claims asserted in this action pursuant to 15 U.S.C. § 1121(a) and 28 U.S.C. §§ 1331, 1338, and 1367. The

claims alleged in this Complaint arise under the Lanham Act, 15 U.S.C. § 1051, *et seq.*, MINN. STAT § 325D.44, *et seq.*, MINN. STAT § 333.285, and Minnesota Common Law.

5. Venue is proper in this Court pursuant to 28 U.S.C. § 1391 because Vital Images' principal place of business is located within this district and division, and upon information and belief, on October 15-17, 2010, Somanetics attended and sponsored the Minnesota Perfusion Society Clinical Practices Meeting as a vendor, which was held at the Crowne Plaza Riverfront Hotel in downtown St. Paul, MN. Nellcor is registered as a foreign corporation in the state of Minnesota whose registered agent is CT Corporation System Inc. and has a principal place of business at 100 South Fifth Street, Suite 1075, Minneapolis, MN 55402.

FACTS

6. Since at least as early as October 1989, Vital Images has sold computer software for medical imaging, disease screening, and treatment planning under its VITAL IMAGES[®] mark. Vital Images is an international company headquartered in Minnetonka, Minnesota with offices in Belgium, Germany, France, Netherlands, United Kingdom, and China, and has spent and continues to spend a significant amount of time, money, and effort in promoting its distinctive VITAL[®], VITAL IMAGES[®], and other VITAL[®] based trademarks throughout the world; especially, throughout the United States. Vital Images has been recognized by a variety of national and regional organizations as a market leader and, in fact, is the market leader in advanced visualization medical software with about a 33% market share. Vital Images enjoys an excellent reputation and enormous goodwill in the terms VITAL[®], VITAL IMAGES[®],

and other VITAL[®] based trademarks that identify, distinguish, and indicate Vital Images as the source of its goods and services.

7. On October 31, 2007 and October 27, 2009, Vital Images won the best new radiology software award from AuntMinnie.com. In the 2007 press release, Vital Images was described as “a leading provider of enterprise-wide advanced visualization and analysis solutions.” In 2009, Brian Casey, editor in chief of AuntMinnie.com said “[Vital Images] has been a pioneer of advanced visualization software in medical imaging for many years.”

8. On November 17, 2008, Vital Images won the Frost & Sullivan Healthcare Innovation award in Medical Imaging Informatics. A Frost & Sullivan analyst commented that “[t]he Vital Images solution is recognized for its high performance, ease of use, workflow benefits of its anticipatory automation and ability to optimize the clinical relevance of large and complex datasets.”

9. On March 31, 2009, Vital Images achieved SSPA Certification for Excellence in Service Operations. Joanne Weigel, Director, Operational Certification Programs for SSPA, said “Vital Images is the first medical software organization to achieve this certification.” Vital Images joined other elite companies such as Hewlett Packard, Cisco Systems, and Xerox in sharing this honor.

10. In 2009 and 2010, the Technology Services Industry Association certified Vital Images for excellence in its service operations.

11. In 2010, Vital Images was recognized by J.D. Power and Associates for providing “An Outstanding Customer Service Experience.”

12. In 2010, the Minnesota High Tech Association ("MHTA") awarded Vital Images a Tekne Award in the IT-Software & Hardware, Communications and Infrastructure category. Mary Frances Schurb, interim president of MHTA, said "We are thrilled to recognize Vital Images for its proven leadership and commitment to technology development in Minnesota."

13. Vital Images has also been featured in many well-known publications such as: TheStreet.com; Fast Money/CNBC; Fortune Magazine; Health Imaging and IT; Healthcare Informatics; and Baseline Magazine.

14. Vital Images' Vital Software was featured in a news story that aired on Fox 9 News in Minneapolis, Minnesota, and used in connection with stories on medical treatment on the Oprah and The Doctors television shows.

15. Vital Images uses its VITAL[®] and VITAL IMAGES[®] trademarks in connection with a wide range of goods and services including, but not limited to:

- Computer software for visualization and image analysis by medical professionals; computer software for medical imaging and treatment planning; computer software for use in clinical analysis and therapy planning for medical conditions; computer software that facilitates access to interactive medical images; and digital materials, namely, pre-recorded DVDs featuring information concerning medical imaging and medical software for medical imaging and treatment planning (the "Vital Software").
- Providing customer service in the field of computer software; arranging and conducting trade show exhibitions in the field of medical technology;

demonstration of products; dissemination of advertisements and of advertising material; providing an on-line computer database featuring trade information in the field of medical technology; providing on-line directory information services also featuring hyperlinks to other web sites; processing telephone inquiries regarding advertised goods and services; and providing on-line registration services for computer software education programs.

- Education services, namely, providing classes, seminars and workshops in the field of medical imaging software, and distributing course material in connection therewith, excluding text books; arranging of educational exhibitions, seminars, and conferences in the field of medical imaging and medical imaging software; conducting educational exhibitions in the nature of medical imaging software; educational demonstrations in the field of medical imaging; providing continuing medical education courses; providing on-line training in the field of medical software; training in the use and operation of medical software.
- Computer software maintenance and support services; providing specific information as requested by customers via the Internet; and technical support services, namely, troubleshooting of computer software problem.
- Web conferencing services; broadcasting programs via a global computer network; communication by electronic computer terminals; communication services, namely, electronic transmission of data and documents, excluding electronic text books, among users of computers; electronic data transmission, excluding electronic text books; podcasting services; transmission of information

in the field of medical imaging by electronic communications networks, excluding electronic text books.

- Printed materials for use by medical professionals, namely, manuals, product informational cards, newsletters, case studies, and educational and informational materials in the field of medical imaging and medical image distribution (collectively the “Vital Goods and Services”).

16. Vital Images is the record owner of 18 United States Trademark Registrations for the VITAL[®] mark and marks that include the VITAL[®] mark:

- VITAL – U.S. Registration Nos.: 3875996, 3831047, 3821885, 3818369, 3818368, and 3818367;
- VITAL (Stylized) – U.S. Registration Nos.: 3548743, 3507028, 3507027, 3416864, and 3717242;
- VITAL U – U.S. Registration Nos.: 3507030 and 3507029;
- VITAL & Design - Application Serial No. 77/885,148;
- VITALCONNECT – U.S. Registration No. 3036769;
- VITALPERFORMANCE – U.S. Registration No. 3180821;
- VITAL IMAGES – U.S. Registration No. 3301649; and
- VITAL THE IMAGE OF UNDERSTANDING & Design – U.S. Registration No. 3385302

(collectively the “VITAL[®] Marks”).

17. Vital Images is also the record owner of a pending trademark application for the mark VITAL, U.S. Application Serial No. 77/924,593 (the "VITAL Application"). The VITAL Application was filed on a use basis and the opposition period has expired with no opposition to the registration of the VITAL mark displayed in the VITAL Application being filed with the Trademark Trial and Appeal Board. Accordingly, a Certificate of Registration with respect to the VITAL Application will issue.

18. On March 16, 2009, Somanetics filed an intent-to-use application with the United States Patent and Trademark Office ("USPTO") for the mark VITAL SYNC in connection with "Medical data integration system comprised of computer hardware and software for management of medical and patient information" (the "VITAL SYNC Application").

19. On November 11, 2009, Somanetics filed an Amendment to Alleged Use for the VITAL SYNC Application claiming the VITAL SYNC mark was first used anywhere on July 20, 2009 and first used in commerce on July 20, 2009. The USPTO accepted Somanetics' Amendment to Alleged Use on November 13, 2009.

20. Upon information and belief, Somanetics cannot claim a date of first use prior to March 16, 2009 for the VITAL SYNC mark.

21. Upon information and belief, Somanetics cannot claim a date of first use in commerce prior to March 16, 2009 for the VITAL SYNC mark.

22. On about November 12, 2010, Somanetics assigned its entire interest in and to the VITAL SYNC mark to Nellcor, which was recorded with USPTO.

23. The assignment of the VITAL SYNC mark to Nellcor notwithstanding, Somanetics continues to use the VITAL SYNC mark.

24. All of the VITAL[®] Marks were used in commerce prior to March 16, 2009.

25. Vital Images has priority to use its VITAL[®] Marks.

26. The VITAL SYNC mark is virtually identical to Vital Images' VITAL[®] Marks. The VITAL SYNC and VITAL[®] Marks all begin with the term VITAL. The VITAL SYNC mark is three syllables and Vital Images' VITAL[®] Marks (excluding VITAL THE IMAGE OF UNDERSTANDING) contain two to five syllables. Additionally, the VITAL SYNC mark and Vital Images' VITAL[®] Marks have a similar meaning; namely, a concern with or necessary to the maintenance of life.

27. Upon information and belief, Somanetics' goods overlap with and are closely related to Vital Images' VITAL Software. In an Office Action response dated August 3, 2009, Somanetics said "the nature of [Somanetics'] goods and the use of the [Somanetics'] software is to integrate and manage medical data relating to medical and patient information. The type of data being collected relates exclusively to the medical field." Somanetics' statement about its software does not exclude the integration and management of medical images.

28. The nature of Vital Images' computer software is visualization and analysis of 2D, 3D, and 4D images of anatomical structures and physiological function using CT (computed tomography) and MR (magnetic resonance) image data and is intended to be integrated with other solutions to foster more informed decisions during patient analysis and treatment planning processes. Vital Images' software could be used in connection

with and is complimentary to Somanetics' computer hardware and software offered under the VITAL SYNC mark. Indeed, the use of the term SYNC suggests that Somanetics' medical data integration system is intended to be used with other medical computer hardware or software.

29. In an Office Action response dated August 3, 2009, Somanetics said "[Somanetics'] goods are for medical and patient information management and are made available exclusively to medical professionals." Vital Images offers its Vital Software to medical and healthcare professionals. Vital Images and Somanetics' goods are targeted to the same class of consumer.

30. Somanetics' use of the VITAL SYNC mark on or in connection with the goods described in the VITAL SYNC Application is likely to cause confusion, mistake, or deception. Consumers are likely to mistakenly believe that the goods Somanetics offers under the VITAL SYNC mark are sponsored, endorsed, or approved by Vital Images, or are in some other way affiliated, connected, or associated with Vital Images, all to the detriment of Vital Images.

31. Without Vital Images' permission, authorization, approval or consent, and with actual or constructive knowledge of Vital Images' prior rights, Somanetics commenced use of the confusingly similar VITAL SYNC trademark in connection with medical computer hardware and software.

32. Despite objection by Vital Images, Somanetics continues to use the confusingly similar VITAL SYNC trademark in connection with the sale of a complimentary good; namely, a medical data integration system comprised of computer

hardware and software for management of medical and patient information. Upon information and belief, Nellcor is aware of Vital Images' objection to Somanetics' use of the confusingly similar VITAL SYNC mark and continues to allow Somanetics' to use the VITAL SYNC mark, which is likely to cause confusion with Vital Images' VITAL[®] Marks.

33. Upon information and belief, Somanetics had actual knowledge of Vital Images' use of the VITAL mark in commerce prior to its selection and adoption of the VITAL SYNC mark.

34. Upon information and belief, Somanetics intentionally adopted the confusingly similar VITAL SYNC in order to trade off the goodwill Vital Images has created in its VITAL[®] Marks.

COUNT I
(Trademark Infringement of a Registered Mark)
(Lanham Act § 32, 15 U.S.C. § 1114)

35. Vital Images restates and incorporates by reference the allegations in Paragraphs 1-34.

36. Defendants' unauthorized use of the VITAL SYNC mark in connection with a medical data integration system comprised of computer hardware and software for management of medical and patient information is likely to cause confusion, cause mistake, and deceive as to the affiliation, connection, or association of Somanetics with Vital Images as to the origin, sponsorship, or approval of Somanetics' goods by Vital Images. This unauthorized use of VITAL SYNC constitutes trademark infringement under 15 U.S.C. § 1114.

37. Defendants' unlawful actions have caused, and will continue to cause, Vital Images irreparable harm unless enjoined.

38. Defendants have profited from their unlawful actions and have been unjustly enriched to the detriment of Vital Images. Defendants' unlawful actions have caused Vital Images monetary damage in an amount presently unknown, but in an amount to be determined at trial.

COUNT II
(Federal Unfair Competition)
(Lanham Act § 43(a), 15 U.S.C. § 1125(a))

39. Vital Images restates and incorporates by reference the allegations in Paragraphs 1-38.

40. Defendants' unauthorized use of VITAL SYNC in connection with a medical data integration system comprised of computer hardware and software for management of medical and patient information is a false designation of origin, false or misleading description of fact, and a false or misleading representation of fact.

41. Defendants' unauthorized use of VITAL SYNC in connection with a medical data integration system comprised of computer hardware and software for management of medical and patient information is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of Defendants with Vital Images, or as to the origin, sponsorship, or approval of Somanetics' goods or commercial activities by Vital Images.

42. Defendants' unlawful actions have caused, and will continue to cause, Vital Images irreparable harm unless enjoined.

43. Defendants have profited from their unlawful actions and have been unjustly enriched to the detriment of Vital Images. Defendants' unlawful actions have caused Vital Images monetary damage in an amount presently unknown, but in an amount to be determined at trial.

COUNT III
(Minnesota Deceptive Trade Practices Act)
(MINN. STAT. § 325D.44, *et seq.*)

44. Vital Images restates and incorporates by reference the allegations in Paragraphs 1-43.

45. Defendants' unauthorized use of the VITAL SYNC mark in connection with a medical data integration system comprised of computer hardware and software for management of medical and patient information constitutes unfair and deceptive trade practices under the Deceptive Trade Practices Act of the State of Minnesota.

46. Defendants' unlawful actions have caused, and will continue to cause, Vital Images irreparable harm unless enjoined.

47. Defendants have profited from their unlawful actions and have been unjustly enriched to the detriment of Vital Images. Defendants' unlawful actions have caused Vital Images monetary damage in an amount presently unknown, but in an amount to be determined at trial.

COUNT IV
(Dilution Under Minnesota Law)
(MINN. STAT. § 333.285)

48. Vital Images restates and incorporates by reference the allegations in Paragraphs 1-47.

49. Vital Images' VITAL[®] Marks are well-known and famous in Minnesota.

50. Vital Images' VITAL[®] Marks became famous in Minnesota before Somanetics' first use of the VITAL SYNC mark in Minnesota.

51. Defendants' unauthorized use of the VITAL SYNC mark in connection with a medical data integration system comprised of computer hardware and software for management of medical and patient information dilutes the distinctive quality of Vital Images' VITAL[®] Marks.

52. Defendants' unlawful actions have caused, and will continue to cause, Vital Images irreparable harm unless enjoined.

53. Defendants have profited from their unlawful actions and have been unjustly enriched to the detriment of Vital Images. Defendants' willful and unlawful actions have caused Vital Images monetary damage in an amount presently unknown, but in an amount to be determined at trial.

COUNT V
(Common Law Unfair Competition)

54. Vital Images restates and incorporates by reference the allegations in Paragraphs 1-53.

55. Defendants' unauthorized use of the VITAL SYNC mark in connection with a medical data integration system comprised of computer hardware and software for management of medical and patient information constitutes unfair competition under the common law.

56. Defendants' unlawful actions have caused, and will continue to cause, Vital Images irreparable harm unless enjoined.

57. Defendants have profited from their unlawful actions and have been unjustly enriched to the detriment of Vital Images. Defendants' unlawful actions have caused Vital Images monetary damage in an amount presently unknown, but in an amount to be determined at trial.

CONCLUSION

WHEREFORE, Vital Images prays that the Court enter judgment:

1. In favor of Vital Images and against Defendants on all of Vital Images' claims;
2. Permanently enjoining and restraining Defendants, their parent company, subsidiaries, affiliates, sister companies, officers, agents, servants, employees, attorneys, and all others in active concert or participation with Defendants from:
 - A. Doing business under the name VITAL SYNC or any other confusingly similar name;
 - B. Using the mark VITAL SYNC or any confusingly similar designation alone or in combination with other words or designs, as a trademark, trade name component or otherwise, to market, advertise, or identify products and services not produced or authorized by Vital Images;
 - C. Unfairly competing with Vital Images in any manner whatsoever;

D. Causing likelihood of confusion, injury to business reputation, or dilution of the distinctiveness of Vital Images' VITAL[®] Marks, symbols, labels, or forms of advertisement;

E. Using in any manner the term VITAL or any variation thereof, in connection with any advertisement or promotion of goods or services in the medical field; and

F. Committing any other act that infringes Vital Images' VITAL[®] Marks or constitutes an act of trademark or service mark infringement, contributory infringement, trademark dilution, or unfair competition under federal common law or Minnesota state law.

3. Requiring Defendants to deliver up, or cause to be delivered up, for destruction all labels, signs, prints, packages, wrappers, receptacles, advertisements, and all other materials in Defendants' possession or control that infringe Vital Images' VITAL[®] Marks;

4. Requiring Defendants to account for and pay over to Vital Images all of Defendants' profits earned through the sale of the infringing VITAL SYNC medical data integration computer system and all damages sustained by Vital Images;

5. Refusing registration of the VITAL SYNC mark with the USPTO, which is the subject of United States Trademark Application Serial No. 77/692,017 pursuant to Lanham Act §§ 21(b)(1), 37, 15 U.S.C. §§ 1119, 1072(b)(1);

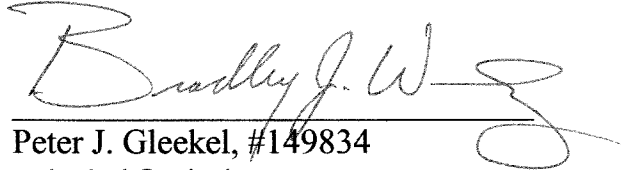
6. Finding this case is exceptional under Lanham Act § 35, 15 U.S.C. § 1117;

7. Awarding Vital Images its attorneys' fees, treble damages, costs, and expenses pursuant to Lanham Act §§ 32 and 35, 15 U.S.C. §§ 1114 and 1117, and MINN. STAT. § 333.29; and

8. Awarding Vital Images such other relief as the Court may deem just and equitable.

Respectfully submitted,

WINTHROP & WEINSTINE, P.A.

A handwritten signature in black ink, appearing to read "Bradley J. Walz", is written over a horizontal line.

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ATTORNEYS FOR PLAINTIFF
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Dated: December 28, 2010

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